

**IN THE CHANCERY COURT FOR THE STATE OF TENNESSEE  
TWENTIETH JUDICIAL DISTRICT, DAVIDSON COUNTY, PART III**

STATE OF TENNESSEE, ex rel. )  
ROBERT E COOPER, JR., ATTORNEY )  
GENERAL and REPORTER, )  
 )  
Plaintiff, )

VS. )

SENIORTRUST OF FLORIDA, INC., )  
 )  
Defendant. )

NO. 11-1548-III

**CONSOLIDATED WITH**

STATE OF TENNESSEE, ex rel. )  
ROBERT E. COOPER, JR., )  
ATTORNEY GENERAL and )  
REPORTER, )  
Plaintiff, )

VS. )

ELDERTRUST OF FLORIDA, INC., )  
Defendant. )

NO. 12-1283-IV(III)

FILED  
2016 AUG 17 PM 3:13  
CLERK OF CHANCERY CT  
DAVIDSON CO. TENN.  
D.C.2M

**ORDER DESIGNATING: (1) STATEWIDE CONSORTIUM TO  
PROPOSE PLAN BY 9/28/16 FOR DISTRIBUTION OF BULK OF FUNDS  
AND (2) THE COMMUNITY FOUNDATION TO RECEIVE FUNDS**

After obtaining public comment, and the advice and suggestions of granting foundations, the nonprofit sector, and the Tennessee Commission on Aging and Disability, the Court designates the following entities for distribution of the, at present, \$39,251,193 (the "Funds") recovered by the Tennessee Attorney General in the above captioned matter, and being held and invested by Receiver William C. Matheney. The Funds shall be used to sustain and improve the quality of life for the elderly of Tennessee.

It is ORDERED that, with the exception of \$5 million provided for below, the Funds shall be distributed based upon a Plan to be proposed by a Consortium consisting of: The West End Home Foundation, Fifty-Forward, The HCA Foundation, The Memorial Foundation, and two to four other members from East and West Tennessee to be appointed by the Court. The Tennessee Commission on Aging and Disability ("TCAD") shall assist the Consortium in the work it is being assigned by the Court.

It is ORDERED that by August 26, 2016, the existing members of the Consortium shall file with the Court a list of organizations in East and West Tennessee with a brief description of each for the Court to use in appointing two to four additional members to serve on the Consortium.

It is ORDERED that no member of the Consortium shall seek or receive any of the Funds for their programs, and, to the extent it becomes necessary to pay or reimburse a Consortium member, such reimbursement or payment shall be solely in connection with assisting the Court with distribution of the Funds.

It is additionally ORDERED that as per the August 2, 2016 letter from Jim Shulman, Executive Director of TCAD, by September 28, 2016, the Consortium and TCAD shall file with the Court a proposed Plan for use of the Funds for the elderly on a statewide basis with local impacts to address the four areas of: (1) affordable senior housing, (2) senior dental, (3) senior transportation, and (4) legal assistance for seniors. The Plan shall include a description of the process; whether the Receiver shall continue to hold and invest the Funds; timeframe for distribution of the Funds and whether that shall be in a lump sum, or periodic

distributions/installments; and explanation of accountability procedures. The Plan shall also include an informal opinion of the Office of the Attorney General, as suggested by TCAD Director Shulman, of the legality of TCAD, and its staff and resources, on an ongoing basis, administering and monitoring use of the Funds in accordance with a Distribution Plan to be entered by the Court and for closure of the lawsuit.

It is also ORDERED that TCAD and the Consortium shall provide a copy of their proposed Plan to the Office of the Attorney General for its review and comments in preparation for the October 3, 2016 hearing.

In implementing the proposal of TCAD, The West End Home Foundation, Fifty-Forward, The HCA Foundation and The Memorial Foundation to establish a Consortium to assist with distribution of the Funds, the Court finds that process will provide the following: (1) multiple viewpoints working collaboratively to best meet the needs of the elderly in local communities across the State; (2) the collective expertise, commitment, knowledge and administrative skills and resources of these Foundations and TCAD; (3) transparency; (4) maximization of local and statewide participation; (5) no administrative fees; and (6) fostering collaboration and strengthening the network of charitable foundations and charitable organizations in the State.

It is further ORDERED that, as the Consortium and TCAD are developing and implementing a Distribution Plan, \$5 million of the Funds shall be immediately distributed to The Community Foundation of Middle Tennessee to forthwith inject into the stream of charitable giving \$5 million of the Funds: (1) to be used for the specific population of the elderly in

Tennessee, (2) to make grants statewide, and (3) to address not only current, short-term needs but also long-term needs of the elderly of Tennessee.

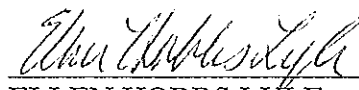
In selecting The Community Foundation of Middle Tennessee, the Court finds that this organization has the ability to immediately implement the giving specified by the Court. This finding is based upon the Foundation's track record of 23 years of grants to hundreds of local charities yearly, geographic outreach across Tennessee, the ability to customize a donation to donor intent, and the capacity of a Foundation to take on a large gift and distribute it immediately and over time. In particular, The Community Foundation averages approximately 150,000 transactions per year, and over its 23 years of work has obtained contributions and invested them for a total of \$1,120,388,199. Additionally, there is no cost to set up a fund, and the standard fee for administration is 1.25%. Investment, stewardship and accountability are provided.

It is ORDERED that if additional specification, provisions or information from the Court is needed or would be helpful in administering grants of the \$5 million, by September 30, 2016, The Community Foundation shall file with the Court such a request.

It is further ORDERED that Receiver Matheney and his Counsel Tera Rica Murdock shall be available to the Community Foundation, the Consortium and TCAD to answer logistical and other questions, and discuss the most efficient, cost-conscious measures for holding the Funds until distribution and for distribution. Enclosed for the Community Foundation and for TCAD to distribute to the Consortium is a very helpful report of the Receiver filed July 25, 2016, on the present investing and liquidity of the Funds.

It is further ORDERED that on October 3, 2016, at 11:00 a.m. a hearing shall be conducted with the Receiver, the Community Foundation, the Consortium, TCAD and an attorney from the Office of the Attorney General all present to enter a Plan on distribution of the remainder of the Funds assisted by the Consortium and TCAD, and to finalize distribution of the \$5 million to the Community Foundation of Middle Tennessee.

It is further ORDERED that the Clerk and Master shall post this Order on her office's website.



ELLEN HOBBS LYLE  
CHANCELLOR

cc: Paul S. Davidson  
Tera Rica Murdock  
Janet M. Kleinfelter  
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Diane Rudner  
Maria Salas, Clerk & Master